

THE UNIVERSITY OF FINDLAY

ECONOMIC SUMMIT



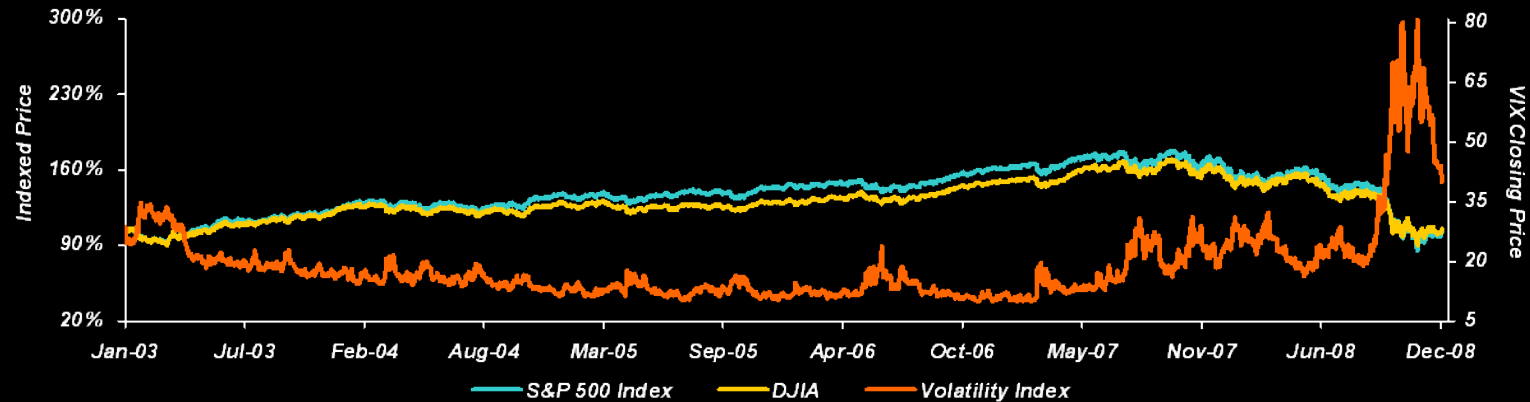
NEW CHALLENGES • NEW SOLUTIONS

ECONOMIC RECOVERY: WHEN?

*Brent Whittington
Executive Vice President and Chief Financial Officer
Windstream Communications*



Where are we now?



- S&P 500 has declined 46% since its high of 1,565 on Oct 9, 2007
- Volatility has increased to unprecedented levels
- Severe loss in both equity markets and home prices have slaughtered consumer confidence



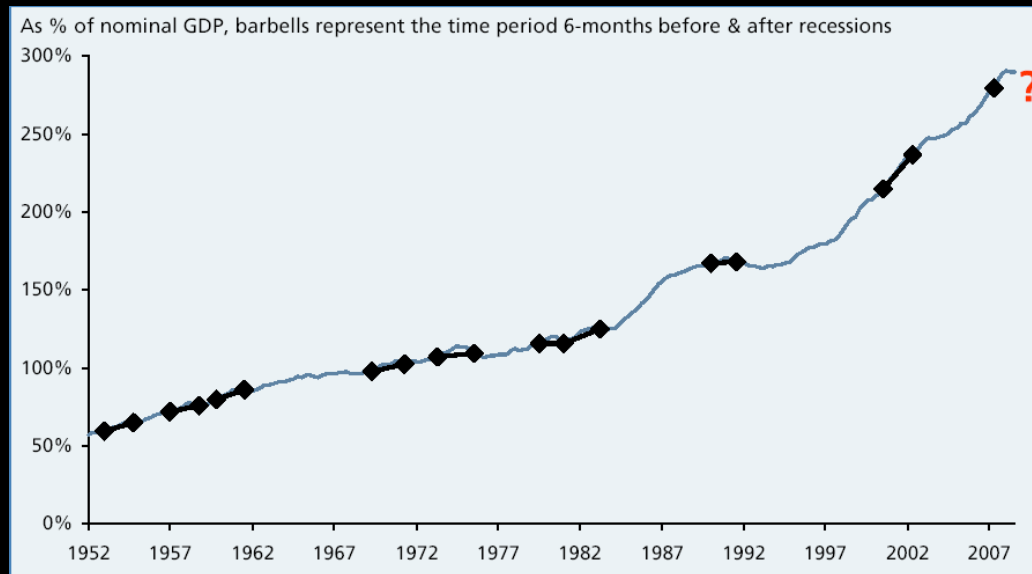
Global money market assets skyrocketing



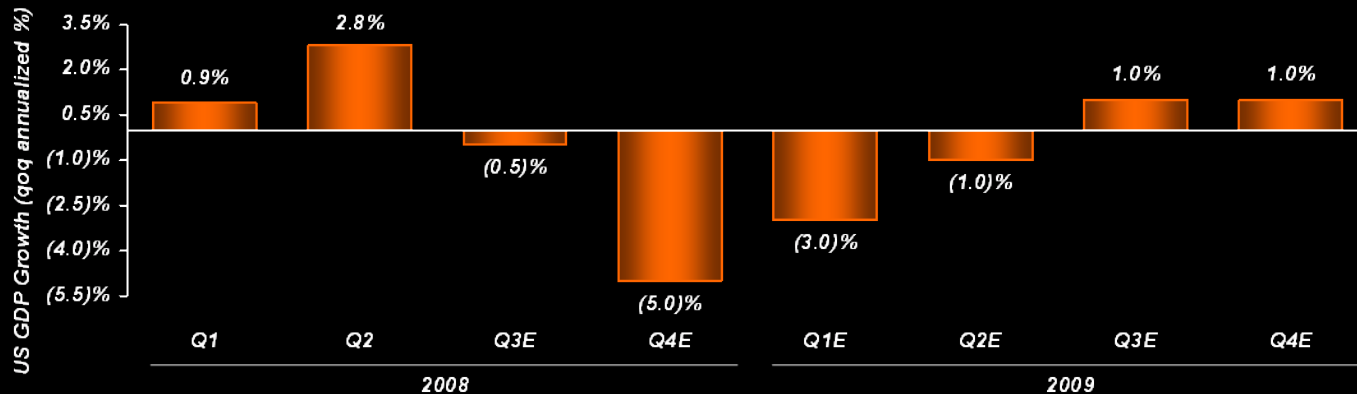
- As a result, fear has taken over and investors have fled to cash reserves
- Challenge now is where and when to deploy that capital
- Likely to occur when there is confidence we've seen the full impacts of this recession



Role of credit in recovery



- Historically, credit expansion has helped tremendously to restore growth after recessions
- Unlikely that will happen in the short term given concern by banks over their own capital
- As a result, we're likely headed for further de-leveraging (business and consumers) until normal lending resumes
- When? Perhaps mid-2010 or shortly thereafter



- GDP growth expected to return by Q3'09
- Consumer spending not expected to return before late 2009/2010
- Key drivers of return to growth:
 - Passage of stimulus plan
 - Stabilization of home prices
 - Confidence of financial institutions in their capital base



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